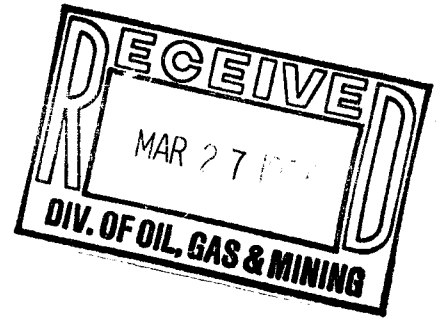


LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077



March 25, 1987

State of Utah
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Ron Firth, Associate Director
Division of Oil, Gas & Mining

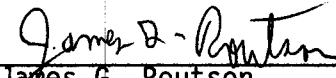
Dear Ron:

Enclosed for your approval is an APD for our Quinoco State No. 16-12 well (in triplicate). Attached to the APD are Designation of Operator forms. We hope to drill the well in early May, so your expedient approval is appreciated.

If you have any questions or comments, please feel free to give me a call.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson

JGR/lw

Enclosures

xc - Ken Currey

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Lone Mountain Production Company

3. ADDRESS OF OPERATOR

P.O. Box 3394, 408 Petroleum Bldg., B

4. LOCATION OF WELL (Report location clearly and in accordance with applicable requirements)

At surface

1215' FSL, 596' FWL; Section 16

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

16 miles northwest of Mack, Colo

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

596'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

3559'

16. NO. OF ACRES IN LEASE

297.76

17. NO. OF ACRES ASSIGNED

TO THIS WELL

149.18 (S $\frac{1}{2}$ Sec. 16)

19. PROPOSED DEPTH

5310' (Morrison)

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6379' GL; 6390' KB

22. APPROX. DATE WORK WILL START*

May 1, 1987

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" New	32.3# H-40STC	200'	150 sacks Class G to surface.
8-3/4"	7" New	20# J-55	1640'	150 sacks Class G.
6-1/4"	4-1/2" New	11.6# K-55	5310'	175 sacks 10-0 RFC.

1. Surface formation is the Mesaverde.
2. Anticipated geologic markers are: CASTLEGATE-1340'; DAKOTA SILT-4810'; DAKOTA-4875'; MORRISON-5049'.
3. Gas is anticipated in the Dakota and Morrison formations. No oil or other minerals are anticipated. Minor water sands are expected in the Mesaverde.
4. Proposed casing program: See Item No. 23 above.
5. Pressure control equipment: See attached Well Control Plan and Schematic of Drilling Contractor's BOP Stack. BOP's will be tested before drilling out from under surface and intermediate casing and checked daily.
6. Air or mist drilling will be used to drill the surface hole and intermediate hole unless water is encountered. If water is encountered, chemical-gel type mud will be used. The well will be air drilled from under intermediate casing to total depth.

(continued on Page 2, attached)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

James G. Routson
James G. Routson

TITLE

Petroleum Engineer

DATE

March 25, 1987

(This space for Federal or State office use)

PERMIT NO.

43 019-31243

APPROVAL DATE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

DATE: 4-21-87

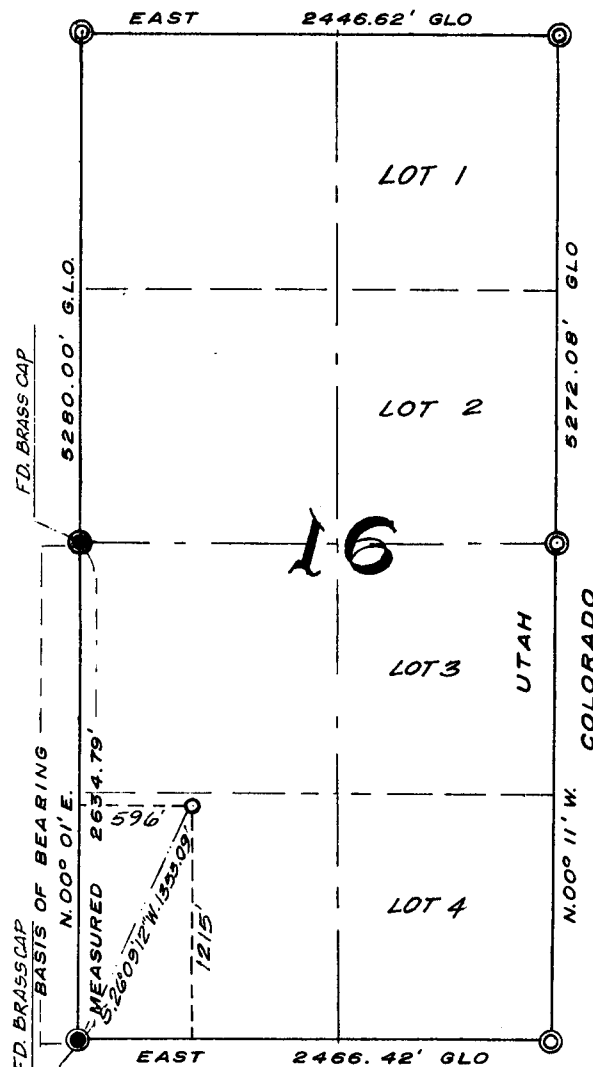
BY: John R. Bryan

WELL SPACING:

*See Instructions On Reverse Side

SEC. 16, T. 16 S., R. 26 E. OF THE S.L.B.M.

LOCATION PLAT



LONE MTN. PRODUCTION CO.
QUINOCO STATE #16-12
GROUND ELEV. 6379'



LEGEND

① STANDARD LOCATION OF GLO SECTION CORNERS

② GLO CORNERS FOUND

③ WELL LOCATION STAKES.

REFERENCE DOCUMENTS

1926 GLO PLAT

JIM CANYON, UTAH
QUADRANGLE, USGS

THIS WELL LOCATION PLAT WAS PREPARED FOR LONE MTN. PRODUCTION CO.
TO LOCATE THE QUINOCO STATE #16-12, 1215' F.S. L. &
596' F.W. L. IN THE SW 1/4 1/4, OF SECTION 16, T. 16S., R. 26E.
OF THE SLBM GRAND COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, LARRY D. BECKER A REGISTERED LAND SURVEYOR IN
THE STATE OF UTAH DO HEREBY CERTIFY THAT THIS
SURVEY WAS MADE UNDER MY DIRECT SUPERVISION
AND THAT THIS PLAT REPRESENTS SAID SURVEY.

Larry D. Becker
UTAH L.S. # 4189

SURVEYED	2/19/87
DRAWN	2/28/87
CHECKED	2/28/87

ENERGY
SURVEYS &
ENGINEERING CORP.

715 HORIZON DRIVE, SUITE 330
GRAND JUNCTION, CO 81501
(303) 845-7221

SCALE 1" = 1000'
JOB NO.
SHEET 07

7. Auxiliary equipment: See Well Control Plan.
8. The logging program will consist of a DIL log from total depth to base of intermediate casing, and GR-FDC-CNL logs from total depth to above the Frontier. No cores or drill stem tests are planned.
9. No abnormal pressures or temperatures are anticipated. No poisonous gas is anticipated.
10. Anticipated spud date is May 1, 1987. Completion operations should commence within 30 days of rig release.
11. Survey plats are attached.
12. The gas is dedicated to Southwest Gas Corporation.
13. Designation of Operator from Quinoco Petroleum, Inc. to Lone Mountain Production Company is attached.

WELL CONTROL PLAN

1. Surface Casing: 9-5/8" O.D., 32.3 #/ft., L.S., Short T&C, set at 200' or deeper, cemented with pump and plug method back to the surface or bottom of cellar.
2. Casinghead Flange: 9-5/8" x 10"-900 series casinghead with two 2"-2000 psi L.P. outlets.
3. Intermediate Casing: 7", 20#, L.S., set at 1640' and cemented with sacks.
4. Blowout Preventor: A 10" 3000 psig W.P. double gate hydraulic shaffer BOP (or equivalent) with drillpipe rams and blind rams. All fill, kill and choke lines will be minimum of 2" 2000 psi W.P. A Grant rotating head will be used while air and mist drilling. A new rubber will be installed prior to drilling through the Dakota. BOP's will be worked daily. Blind rams will be checked during trips. BOP's will be tested to 1000 psi prior to drilling shoe joint on surface casing and intermediate casing.
5. Auxiliary Equipment: (a) Drill pipe floats will be allowed at contractor's discretion. (b) Visual monitoring of air returns will be maintained. (c) Upper kelly cock will be used. (d) Stabbing valve will be kept on floor.
6. Anticipated bottom hole pressure is less than 1000 psi at 4875 or a gradient of .205 psi/ft or less. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY

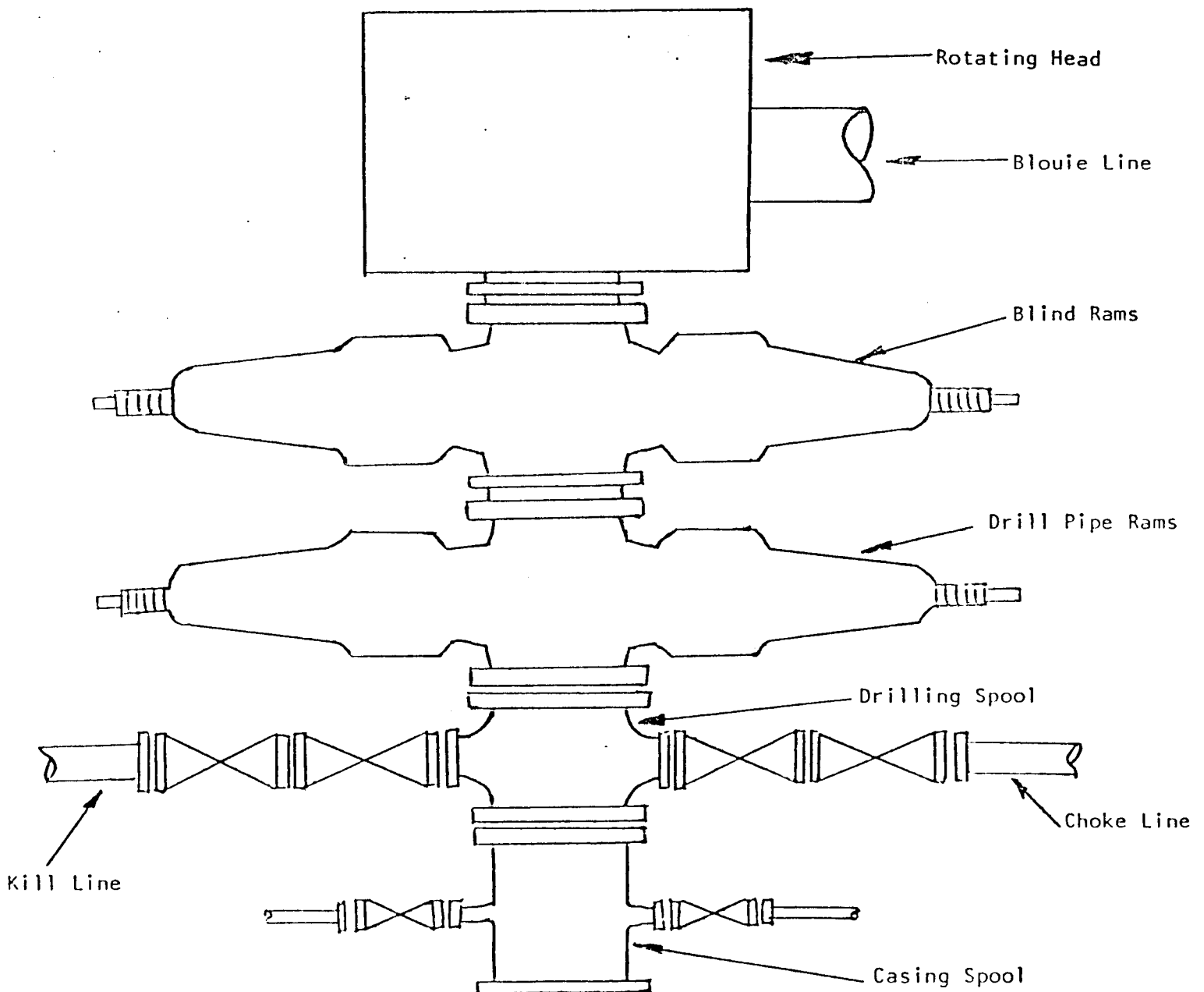
By: _____

James G. Routson
James G. Routson
Petroleum Engineer

SCHEMATIC OF BOP STACK

Air drilled wells using 900 series wellhead equipment.

Interval from 200' to total depth.



SURFACE USE PLAN

Lone Mountain Production Company
Quinoco State No. 16-12
SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 16: T16S - R26E
Grand County, Utah

1. EXISTING ROADS

See Maps #1, #2 and Plat #1. This proposed well is about 16 miles northwest of Mack, Colorado. It is reached by going west of Mack on Old Highway 6 & 50 to Mesa County road 8, then up 8 road to "S" road, then west on "S" road to the Baxter Pass road up to the Prairie Canyon Road. Then go northwest up the Prairie Canyon Road about 7 miles to the Cottonwood Canyon Road. Then go west about 3 miles on the Cottonwood Canyon Road up the hill to the ridge top to the beginning of the one mile of new road.

2. ACCESS ROADS TO BE CONSTRUCTED

See Map #1. The 1.0 mile of new road will be constructed so that it has an 18-foot wide running surface. Turnouts will be constructed where topography permits.

The road will follow the ridge line for a short distance and then descend through a rim and follow a bench and ridge line around the hill to the well pad.

Water will be diverted from and across the road utilizing water dips. No culverts are planned.

The road will have a maximum grade of 8 percent.

3. LOCATION OF EXISTING WELLS

See Map #3. There are 4 producing wells, and 1 dry hole within 1 mile of the proposed location in Utah. There are also 2 producing wells in Colorado no shown on the map located within 1 mile of the proposed location.

4. LOCATION OF PRODUCTION FACILITIES

A) On Well Pad. See Plat #4. (Paint everything dark green).

B) Off Well Pad. See Map #1.

Lone Mountain Production Company proposes to construct approximately 4000' of 3" surface steel pipeline from this well to a gas sales point near the center of Section 21, Township 16 South, Range 26 East.

5. LOCATION AND TYPE OF WATER SUPPLY

The water source for this well is West Salt Creek. The pickup point is on Old Highway 6 & 50 about 2.5 miles west of Mack, Colorado. The water will be hauled over the well access road.

6. SOURCE OF CONSTRUCTION MATERIALS

No construction materials will be used other than native materials. Soil from cuts will be used in fills. No outside material will be brought in.

7. METHODS FOR HANDLING WASTE DISPOSAL

Cuttings will be buried in the reserve pit at clean up. Garbage and other waste material will be contained in a trash cage. This cage will be dumped at an approved sanitary land fill. Human waste will be disposed of in chemically treated sanitary pits.

Drilling fluids will be contained in the reserve pit and left to evaporate. Any fluids produced during testing operations will be collected in a test tank. If a test tank is not available, the fluids will be contained in the reserve pit. Any spills of oil, gas, salt water or noxious fluid will be cleaned up and removed.

If the well is productive, produced water will be disposed of on site for 30 days only, or 90 days with the permission of the State Petroleum Engineer. After that time, application will be made for approval of permanent disposal method in compliance with the rules and regulations of the State of Utah.

8. ANCILLARY FACILITIES

No ancillary facilities are planned.

9. WELLSITE LAYOUT

- See Plat #2 - Pit and Pad Layout
- See Plat #2A - Cross Sections of Pit and Pad
- See Plat #3 - Rig Layout

The location will be constructed large enough to accommodate the drilling rig and associated equipment with allowance made for future completion and fracturing equipment.

The location construction will begin by stripping and stockpiling all available (4-6") topsoil. The stockpile will be along the south sides of the location.

The reserve pit will be constructed along the north side of the well pad. The pit will be fenced on three sides during drilling and closed on the

fourth side at rig release. The fence will be maintained through completion and while the pit area is drying.

10. PLANS FOR RECLAMATION OF THE SURFACE

If the well is productive, the reserve pit will be allowed to dry and then backfilled. All of the area not necessary for production will be resloped, covered with available topsoil and revegetated using a seed formula supplied by the State of Utah.

If the well is abandoned, the entire area of disturbance will be returned to a reasonable contour approximating the topography of the surrounding area. The topsoil will be distributed over the re-contoured area and revegetated using the appropriate seed formula.

Clean-up will begin after completion rig release and resloping should begin by the Fall of 1987.

11. SURFACE OWNERSHIP

Lands involving new construction are both federal and state. A BLM road right-of-way has been applied for.

12. OTHER INFORMATION

The vegetation is sparse and includes juniper, sagebrush, western wheatgrass, Indian rice grass and a few annual plants.

A cultural resource survey of the area is being done and the report will be filed with the State of Utah and the BLM in Moab, Utah.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVES AND CERTIFICATION

James G. Routson
LONE MOUNTAIN PRODUCTION COMPANY
P. O. Box 3394
Billings, MT 59103

Office Phone: (406) 245-5077

Home Phone: (406) 245-8797

Ken Currey
Field Consultant
P. O. Box 1491
Fruita, CO 81521

Office/Home Phone: (303) 858-3257

Mobile Phone: (303) 245-3660, Unit 6258

I hereby certify that I, or persons under my supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best

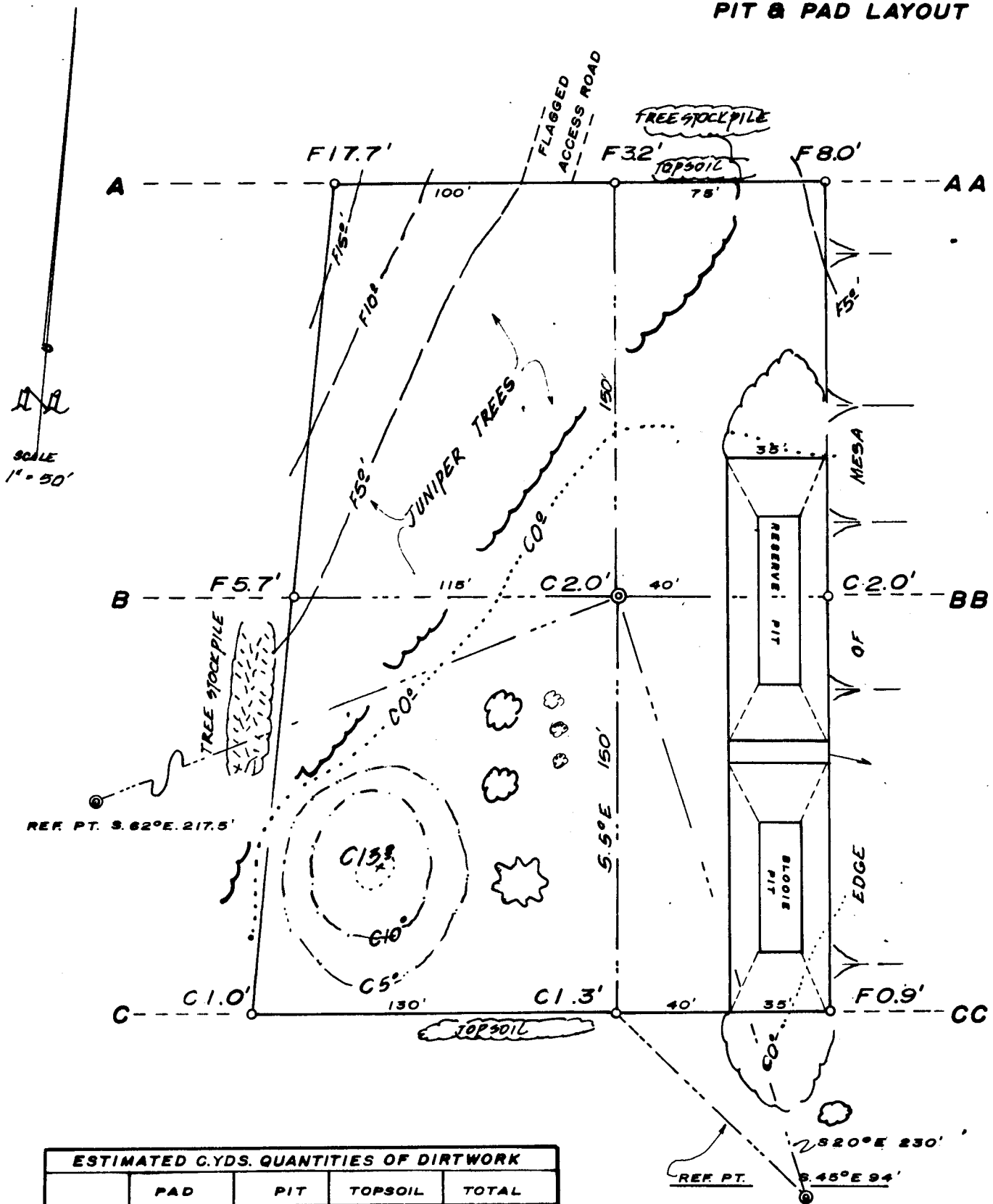
Surface Use Plan - Page 4

of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Lone Mountain Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

March 25, 1987
Date

James G. Routson
James G. Routson

LAT # 2
PIT & PAD LAYOUT



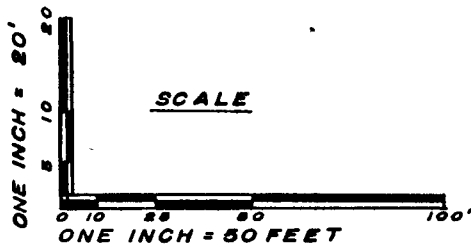
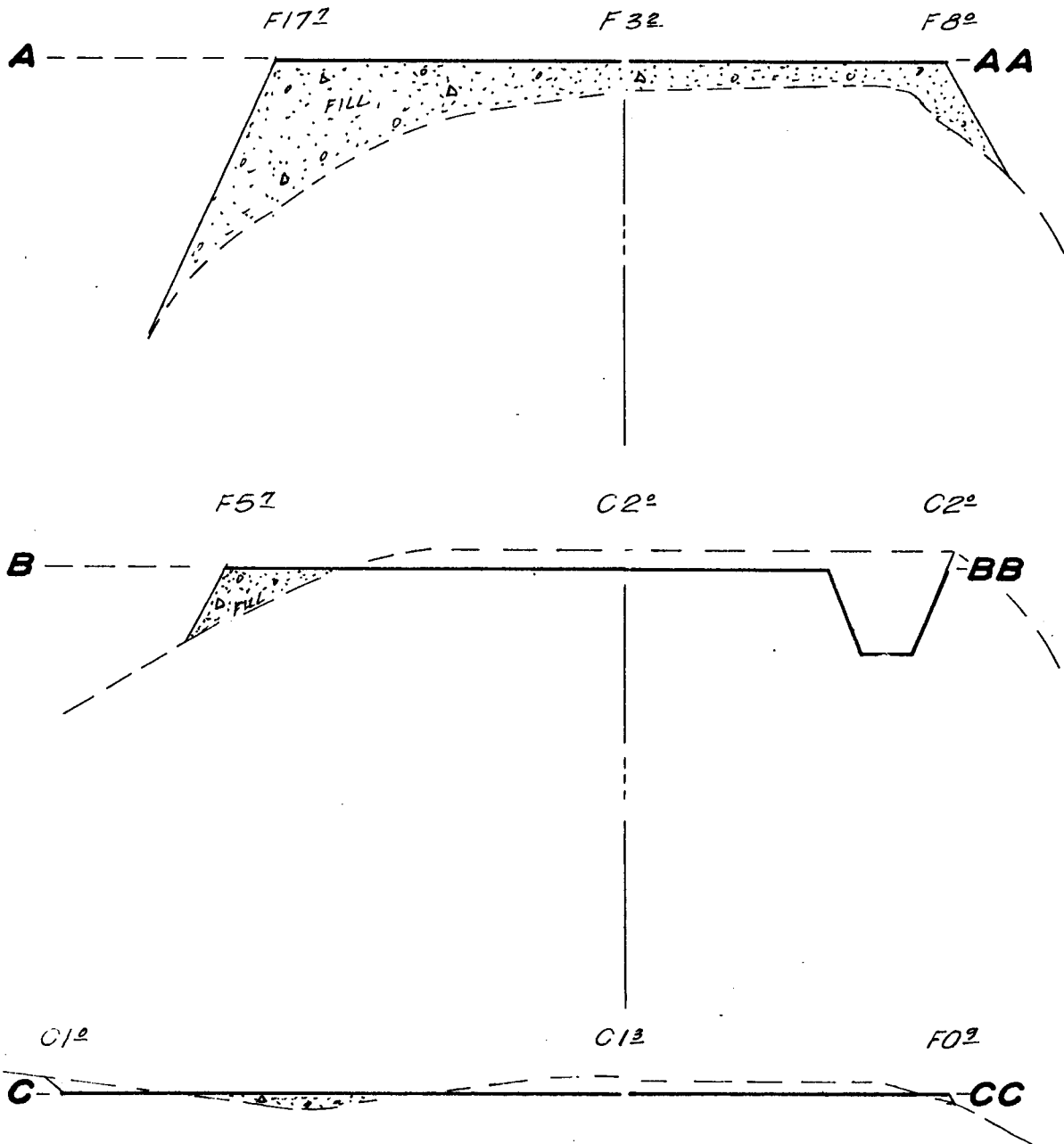
ESTIMATED C.YDS. QUANTITIES OF DIRTWORK				
	PAD	PIT	TOPSOIL	TOTAL
CUT	2395	1700	- 638	3457
FILL	2575	-	- 255	2320
TOTAL	-180	1700	- 893	1137

EXCESS

LONE MTN. PRODUCTION
QUINOCO STATE #16-12

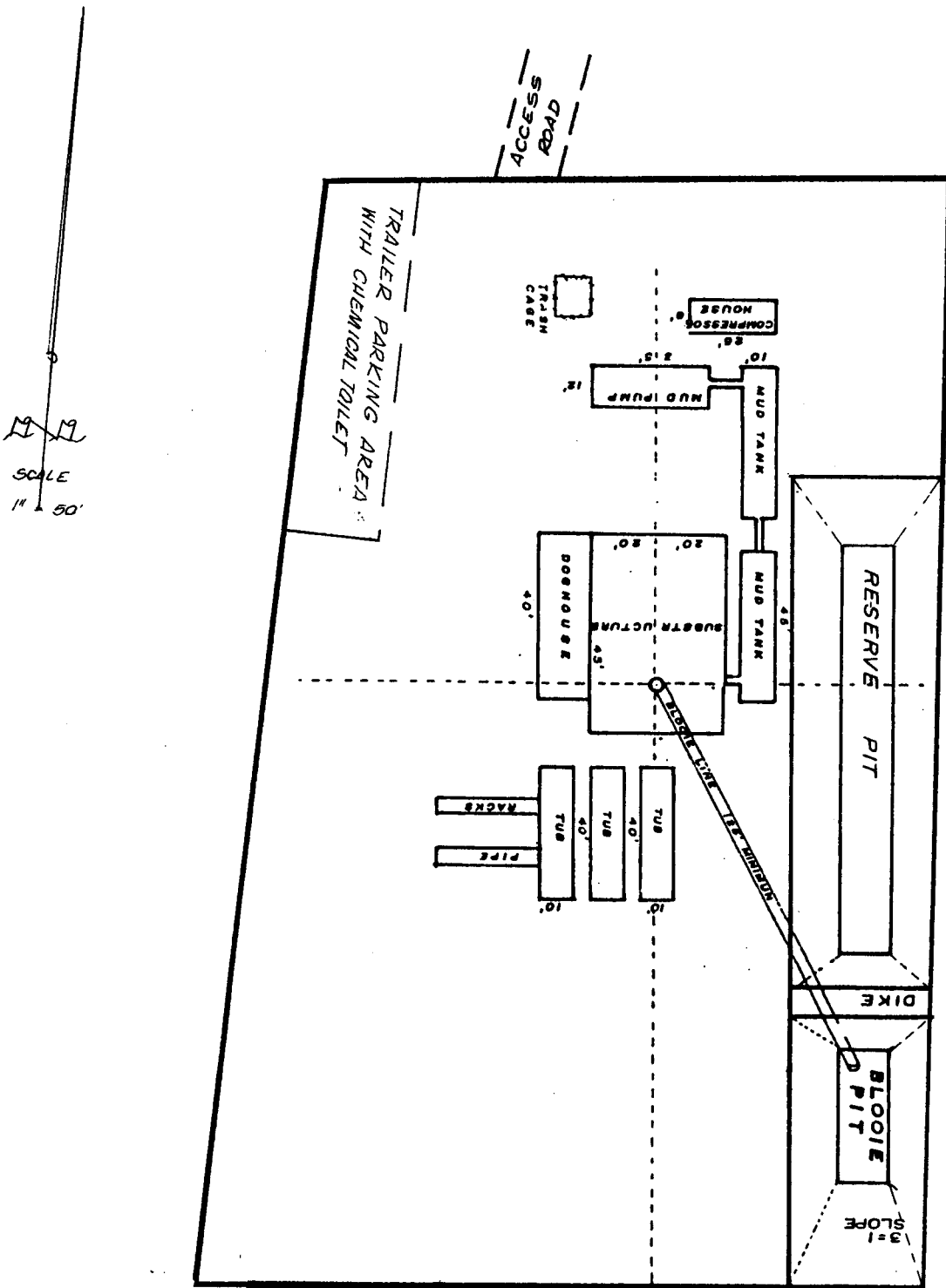
PLAT NO. 2A

CROSS SECTIONS
OF PIT & PAD



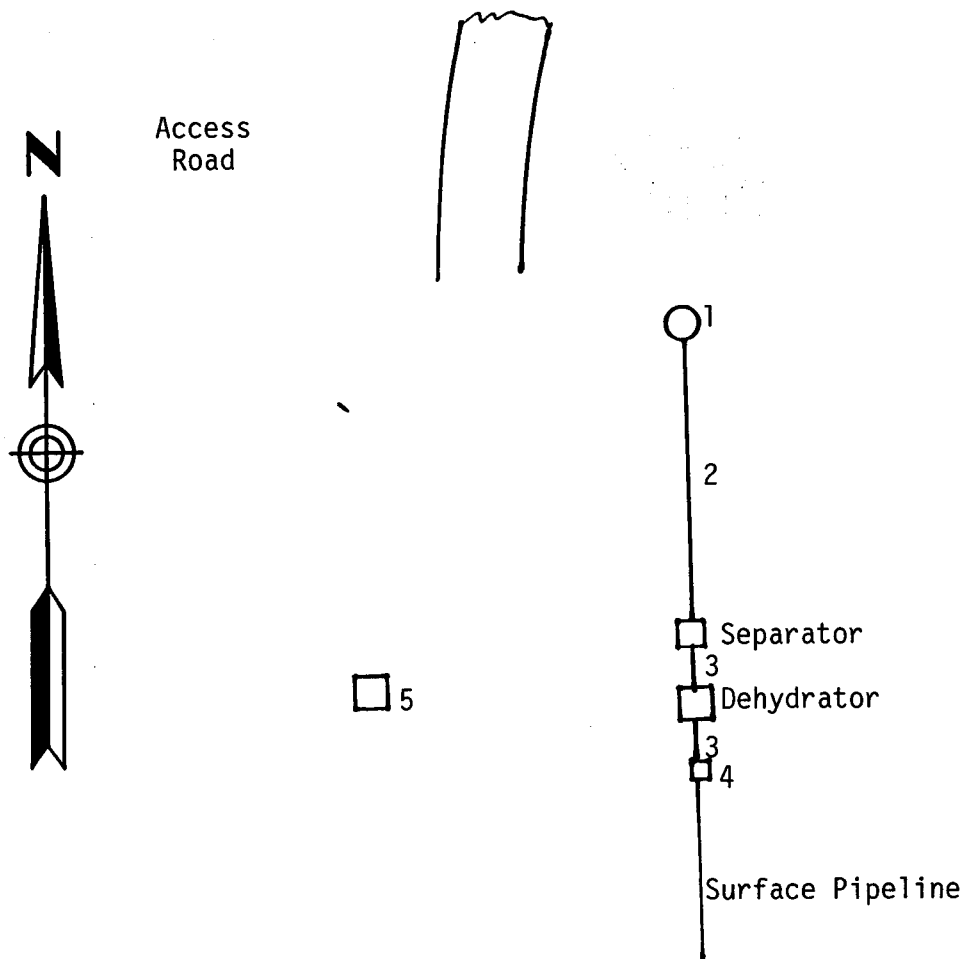
LONE MOUNTAIN PRODUCTION
QUINOCO STATE # 18-12

PLAT # 3
RIG LAYOUT



LONE MOUNTAIN PRODUCTION CO.
QUINOCO STATE # 16 - 12

PLAT NO. 4
FACILITIES DIAGRAM



1. Wellhead will be a 6"-900 series flanged top. Tubing head will be 10"-900 x 6"-3000 psi with two 2" 3000 psi flanged valves. Tree will be 2" screwed x 2000 psi W.P.
2. Line between wellhead and separator will be approximately 100 feet in length and constructed of 2-3/8" .218 wall seamless, welded, wrapped and buried approximately 5 feet deep.
3. Line between separator and meter will be 2-3/8" OD seamless, .218 wall, welded, coated, wrapped and buried, and will be approximately 25 feet in length.
4. Meter run will be American 2" run, or equivalent, 1000 psi static rating, 100" of water differential rating.
5. Pit, if necessary, will be 10' x 10', enclosed by dikes and fenced.

DESIGNATION OF OPERATOR

State of Utah
The undersigned is, on the records of the ~~Division of Land Management~~, holder of lease

DISTRICT LAND OFFICE: Division of Oil, Gas & Mining
SERIAL NO.: ML 29608

and hereby designates

NAME: Lone Mountain Production Company
ADDRESS: 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 16 South, Range 26 East
Section 16: Lots 1 thru 4, W $\frac{1}{2}$ W $\frac{1}{2}$ (A11)

Containing 297.76 acres, more or less
Grand County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

E. M. NOMINEE PARTNERSHIP COMPANY,
By QUINOCO ENERGY, INC. as Managing
General Partner

By


(Signature of lessee)
Jerry D. Webb, Senior Vice President-Operations

March 11, 1987

(Date)

P. O. Box 378111, Denver, CO 80237

(Address)

DRILLING LOCATION ASSESSMENT
State of Utah
Division of Oil, Gas & Mining

OPERATOR: Lone Mountain Production Co. WELL NAME: Quinoco State #16-12
QTR/QTR: SW/SW SECTION: 16 TWP: 16 S RANGE: 26 E
COUNTY: Grand FIELD: San Arroyo 1215' FS L 596' FW L
SFC OWNER: State of Utah LEASE #: ML-29608
SPACING: 500' F SECTION LINE F QTR/QTR LINE 2000' F ANOTHER WELL
INSPECTOR: Ed Deputy DATE & TIME: April 15, 1987; 9:00 AM
PARTICIPANTS: Ken Currey (Lone Mountain) & Bill Buniger (Dirt Contractor)

REGIONAL SETTING/TOPOGRAPHY: Colorado Plateau, South Book Cliffs; location is on a
ridgetop with steep slopes to the east & west.

LAND USE

CURRENT SURFACE USE: Summer cattle & sheep grazing.

PROPOSED SURFACE DISTURBANCE: Drill pad, including reserve & blooie pits well be approx.
200' X 300', access road will be 1 mile long from existing road, along ridgetop and
side slope.

AFFECTED FLOODPLAINS AND/OR WETLANDS: None

FLORA/FAUNA: Juniper, pine, sagebrush, native grasses, cactus. Deer, small birds,
possible eagle & coyote in vicinity.

ENVIRONMENTAL PARAMETERS

GEOLOGY.

SOIL TYPE AND CHARACTERISTICS: Light brown, silty to sandy clays, moderate
permeability, not much soil cover - bedrock near surface.

SURFACE FORMATION & CHARACTERISTICS: Mesaverde Fm, light brown, fine grained, silty
sandstone - massive to moderate bedded, moderate permeability.

EROSION/SEDIMENTATION/STABILITY: Stable location, bedrock near surface, location is
on ridgetop - not affected by slides, some rain & wind erosion.

SUBSURFACE GEOLOGY

OBJECTIVE(S)/DEPTH(S): Morrison Fm at 5310' depth.

ABNORMAL PRESSURES - HIGH AND LOW: None anticipated - bottom hole pressure
expected to be less than 1000 psi at 4875'.

CULTURAL RESOURCES/ARCHAEOLOGY: Carl Connor, Grand River Institute, Grand Junction, Co.

WATER RESOURCES: No drainages through location, water drains off ridgetop and down steep
slopes to drainages on east and west sides of ridge.

RESERVE PIT

CHARACTERISTICS: Reserve & blooie pits will be on east side of location, total of 35' wide,
200' long, & 10' to 15' deep, constructed in cut material on edge of steep slope.

LINING: Possible bentonite or plastic.

MUD PROGRAM: Will be air or mist drilled - if water is encountered will use chemical-gel
mud.

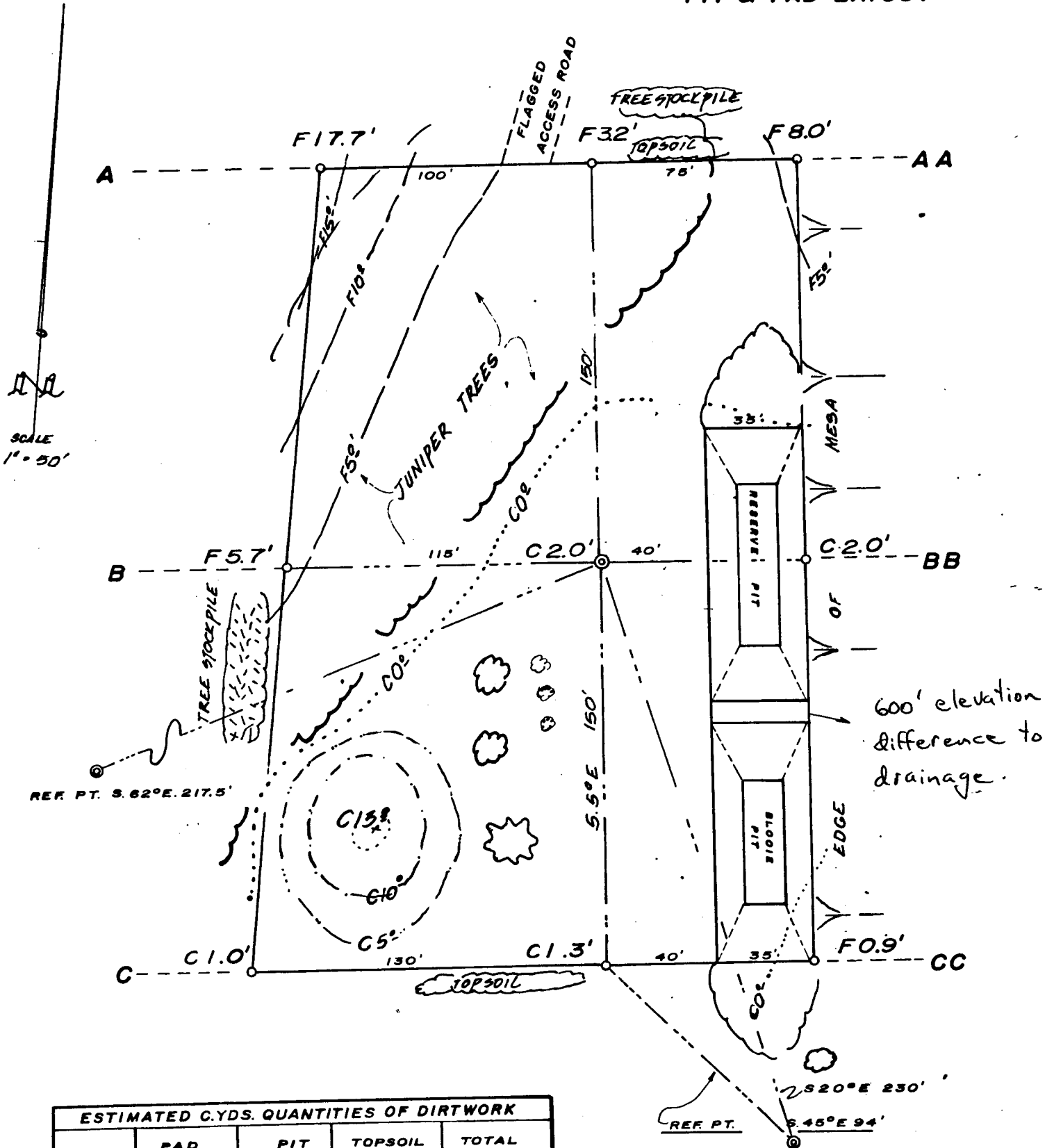
DRILLING WATER SUPPLY: West Salt Creek in Colorado.

OTHER OBSERVATIONS: Location is on ridgetop with reserve & blooie pits in bedrock about
10' from steep slope and a 600 vertical foot drop to the drainage below. Lone Mtn.
would like to move gas sales meter off location to Sec. 21 with purchase meter - this
location is more accessible in the winter.

STIPULATIONS FOR APD APPROVAL: This office shall receive notice within 48 hours of
completing construction of drill site and prior to placing fluids in reserve pit.

ATTACHMENTS

PL T # 2
PIT & PAD LAYOUT

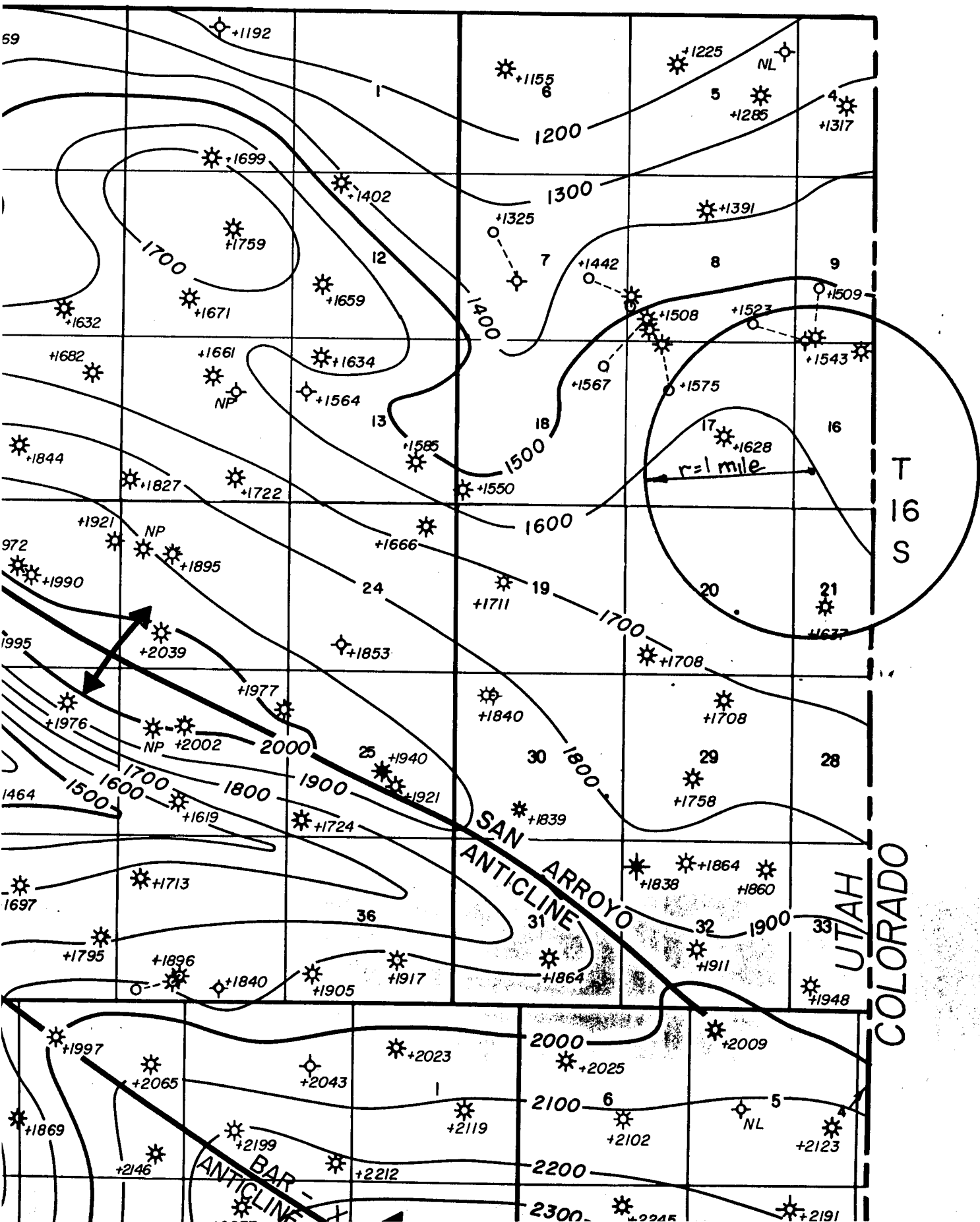


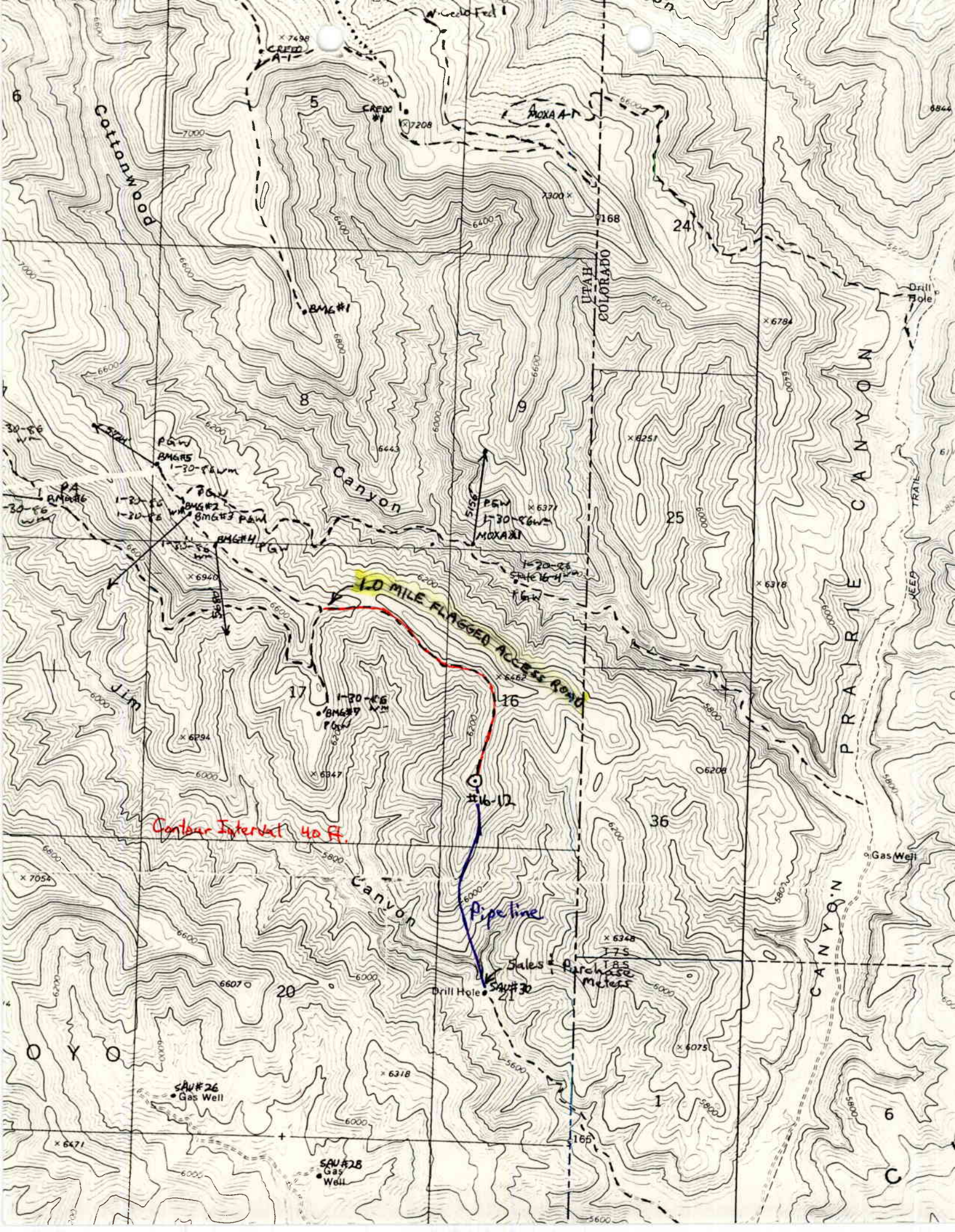
ESTIMATED C.YDS. QUANTITIES OF DIRTWORK				
	PAD	PIT	TOPSOIL	TOTAL
CUT	2395	1700	- 638	3457
FILL	2575	-	- 255	2320
TOTAL	- 180	1700	- 893	1137

EXCESS 6

LONE MTN. PRODUCTION
QUINOCO STATE #16-12

R 26 E





6

5

24

25

17

16

20

21

36

1

6

C

Cottonwood

Canyon

Canyon

UTAH
COLORADO

PRAIRIE CANYON

CANYON

CAED
A-1

CAED
#1

MOXA A-1

BMG#1

PAW
BMG#5
1-30-86 Wm

PAW
BMG#2
1-30-86 Wm
BMG#3 PAW

BMG#4

PAW
1-30-86 Wm
MOXA#1

1.0 MILE FLAGGED ACCESS ROAD

Contour Interval 40 ft.

Pipeline

Sales

Purchase
meters

Drill Hole

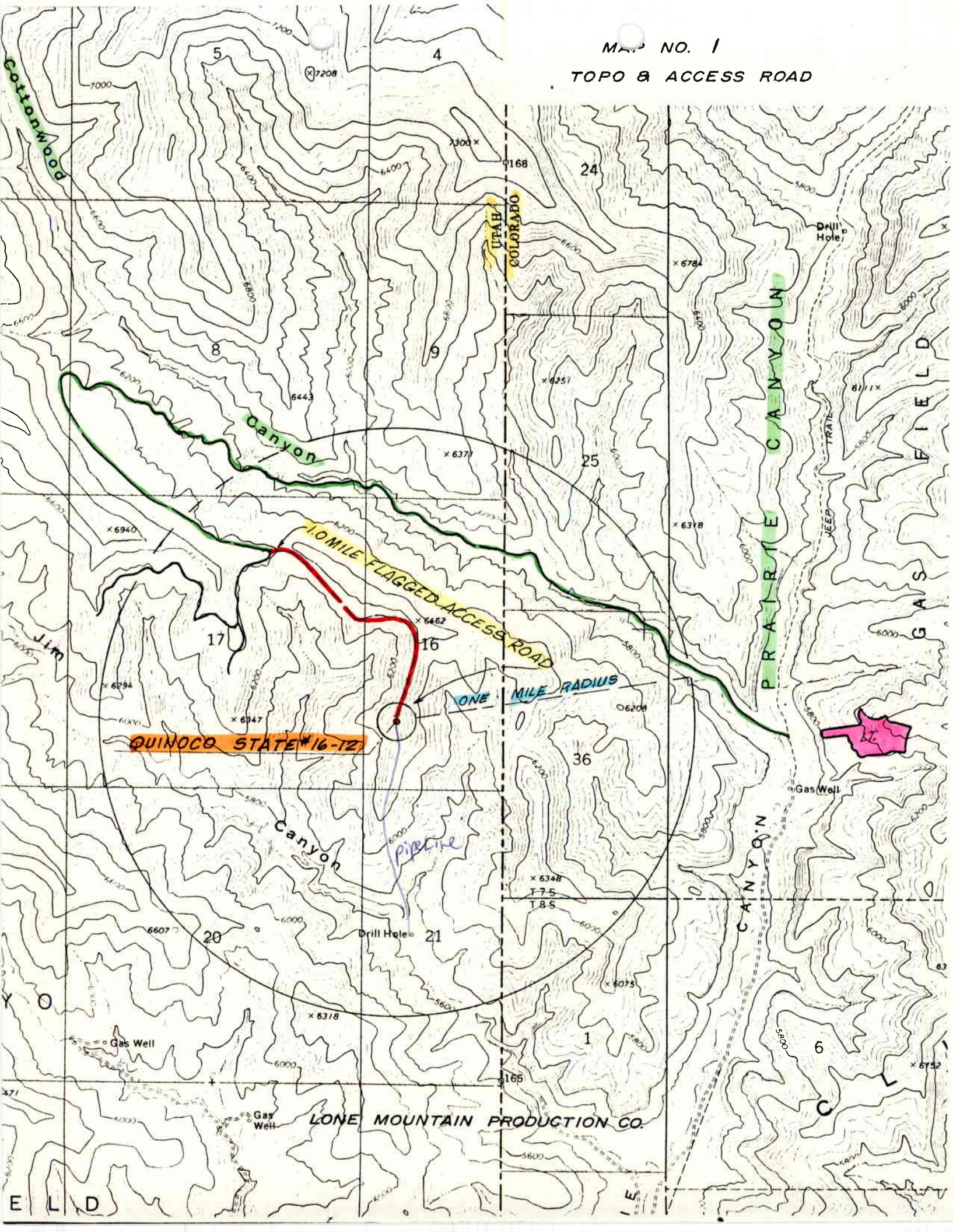
SAW#26
Gas Well

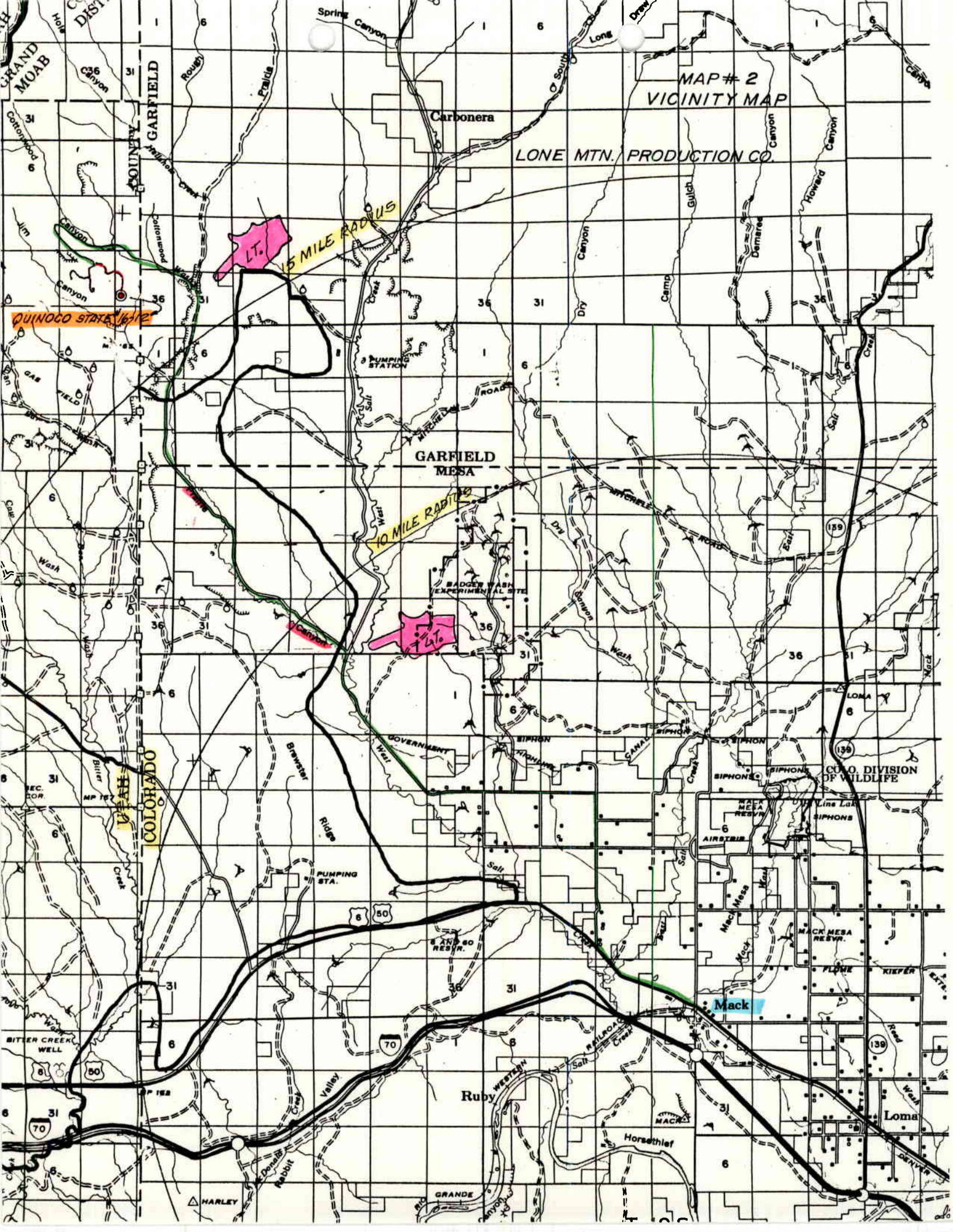
SAW#28
Gas Well

Gas Well

Drill Hole

MAP NO. 1
TOPO & ACCESS ROAD





042202

OPERATOR Lone Mountain Prod. Co. DATE 4-1-87WELL NAME Quinn State 16-12SEC SWSW 16 T 16S R 26E COUNTY Grand

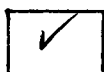
43-019-31243

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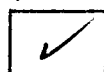
State

TYPE OF LEASE

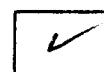
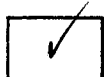
CHECK OFF:



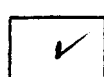
PLAT



BOND

NEAREST
WELL

LEASE



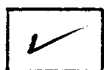
FIELD

POTASH OR
OIL SHALE

PROCESSING COMMENTS:

No other well in SW/4 - Cause 136
Water leaked from Muel. Co.
State History

APPROVAL LETTER:

SPACING: ☐ 203 _____ UNIT☐ 302
13-6 3/26/87
 CAUSE NO. & DATE
☐ 302.1

STIPULATIONS:

- 1- State History -
- 2- The operator shall notify DOGM at least 48 hours
prior to placing fluids in reserve pit to allow
inspection of pit & site construction.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 21, 1987

Lone Mountain Production Company
408 Petroleum Building
P. O. Box 3394
Billings, Montana 59103

Gentlemen:

Re: Quinoco State 16-12 - SW SW Sec. 16, T. 16S, R. 26E
1215' FSL, 596' FWL - Grand County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 13-6 dated March 26, 1987, subject to the following stipulations:

1. Prior to any ground-disturbing activity on state lands or lands owned or controlled by the state or its subdivisions, a cultural resource clearance report must be filed with and approved by the Division of State History, phone (801) 533-4563. A list of acceptable archaeological contractors is available from the Division of State History.
2. The operator shall notify the Division of Oil, Gas and Mining at least 48 hours prior to placing fluids in the reserve pit to allow inspection of pit and site construction.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. All well operators are responsible for sending an Entity Action Form to the Division of Oil, Gas and Mining within five working days of the time that a new well is spudded or a change in operations or interests necessitates a change in Entity status.
3. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.

Page 2
Lone Mountain Production Company
Quinoco State 16-12
April 21, 1987

4. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31243.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: State Lands and Forestry
Branch of Fluid Minerals
D. R. Nielson
3159T

062902

DIVISION OF OIL, GAS AND MINING

SPODDING INFORMATION

API #43-019-31243

NAME OF COMPANY: LONE MOUNTAIN PRODUCTIONWELL NAME: Quinoco State 16-12SECTION SW SW 16 TOWNSHIP 16S RANGE 26E COUNTY GrandDRILLING CONTRACTOR VecoRIG # 2SPUDDED: DATE 6-19-87TIME 6:30 PMHOW RotaryDRILLING WILL COMMENCE REPORTED BY Jim RoutsonTELEPHONE # 416-245-5077DATE 6-22-87 SIGNED AS

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT TRIPLICATE
(Other instructions on
reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. ML-29608 <i>Dwg</i>	
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 062931	
3. ADDRESS OF OPERATOR 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1215' FSL, 596' FWL Section 16		8. FARM OR LEASE NAME State	
14. PERMIT NO. 43-019-31243		9. WELL NO. 16-12	
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 6379' GL, 6390' KB		10. FIELD AND POOL, OR WILDCAT San Arroyo	
		11. SEC., T., R., M., OR BLE. AND SUBST. OR AREA SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16-T16S-R26E	
		12. COUNTY OR PARISH Grand	
		13. STATE Utah	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Spud</u>	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Spudded 12 $\frac{1}{4}$ " hole at 6:30 P. M., 6-19-87. Veco Drilling Co. Rig No. 2.

Drilled 12 $\frac{1}{4}$ " hole to 192'. Set 9 5/8" casing at 188'. Cemented to surface with 150 sacks Class "G", 3% CaCl₂, 1/4#/sack celloflake.

Drilled 8 3/4" hole to 1700'. Set 7" casing at 1699'. Cemented with 150 sacks 50-50 pozmix, 3% CaCl₂.

Notified Arlene Sollis, Utah Division of Oil, Gas, & Mining at 8:15 A. M., 6-22-87.

RECEIVED
JUN 24 1987

DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

James D. Rutter

TITLE Petroleum Engineer

DATE June 22, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE
 (Other instructions on reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
 Use "APPLICATION FOR PERMIT—" for such proposals.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. ML-29608	
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 070722	
3. ADDRESS OF OPERATOR 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1215' FSL, 596' FWL Section 16		8. FARM OR LEASE NAME State	
14. PERMIT NO. 43-019-31243		9. WELL NO. 16-12	
15. ELEVATIONS (Show whether OF, RT, GL, etc.) 6379' GL, 6390' KB		10. FIELD AND POOL, OR WILDCAT San Arroyo	
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		11. SEC., T., R., M., OR BLK. AND SUBST OR AREA SW$\frac{1}{4}$SW$\frac{1}{4}$ Sec. 16-T16S-R26E	
NOTICE OF INTENTION TO: TEST WATER SHUT-OFF <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> MULTIPLE COMPLETE <input type="checkbox"/> SHOOT OR ACIDIZE <input type="checkbox"/> ABANDON* <input type="checkbox"/> REPAIR WELL <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> (Other) <input type="checkbox"/>		SUBSEQUENT REPORT OF: WATER SHUT-OFF <input type="checkbox"/> REPAIRING WELL <input type="checkbox"/> FRACTURE TREATMENT <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> SHOOTING OR ACIDIZING <input type="checkbox"/> ABANDONMENT* <input checked="" type="checkbox"/> (Other) Spud <input checked="" type="checkbox"/> (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* Spudded 12$\frac{1}{4}$" hole at 6:30 P. M., 6-19-87. Veco Drilling Co. Rig No. 2. Drilled 12$\frac{1}{4}$" hole to 192'. Set 9 5/8" casing at 188'. Cemented to surface with 150 sacks Class "G", 3% CaCl₂, 1/4#/sack celloflake. Drilled 8 3/4" hole to 1700'. Set 7" casing at 1699'. Cemented with 150 sacks 50-50 pozmix, 3% CaCl₂. Notified Arlene Sollis, Utah Division of Oil, Gas, & Mining at 8:15 A. M., 6-22-87.			
12. COUNTY OR PARISH Grand		13. STATE Utah	

RECEIVED
 JUN 24 1987

DIVISION OF
 OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

James D. Rutter

TITLE **Petroleum Engineer**

DATE **June 22, 1987**

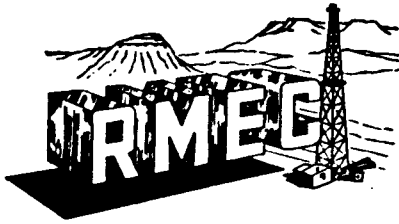
(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL SITE GEOLOGY — MUD LOGGING

2450 INDUSTRIAL BLVD.

PHONE 243-3044

GRAND JUNCTION, COLORADO 81501

June 26, 1987

RECEIVED
JUN 29 1987

Lone Mountain Production Co.
P.O. Box 3394
Billings, Montana 59103

DIVISION OF
OIL, GAS & MINING

Gentlemen:

Enclosed is the final log on your Quinoco State #16-12 well, located in Section 16, T16S, R26E of Grand County, Utah.

We appreciated the opportunity to serve you. If we can be of any further assistance in the final evaluation of zones encountered, please feel free to call on us.

We are looking forward to working with you again in the near future.

Sincerely,

Andy Kelley
President

AWK/11f

ENC: 2 FINAL LOGS
XXC: 2-QUINOCO, DENVER
2-SONAT EXP., DENVER
2-DIV. OIL & GAS, SLC
1-SUEK OIL, NORTHGLENN
1-B&H RESOURCES, BILLINGS
1-ROBERT BALSAM, BILLINGS
1-JOHN & MARY BAROVICH, BILLINGS
1-WILLIAM BUNIGER, LOMA
1-S.A CHORNEY, DENVER
1-NEIL FEHRINGER, BILLINGS
3-J & L OIL & GAS, BILLINGS
3-T.H. MC ELVAIN, SANTA FE
1-MONTANA & WYOMING OIL, BILLINGS
1-JACK C. ROUTSON, LARAMIE
1-DR. BRIAN GAMBLE, CANADA
1-D & G ROUSTABOUT SERVICE
1-HAROLD HOLDEN, BILLINGS
3-SONAT EXP., HOUSTON + 1 SEPIA

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. ML-29608
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALIEN, OR FOREIGN NAME
3. ADDRESS OF OPERATOR 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1215' FSL, 596' FWL Section 16		8. FARM OR LEASE NAME State
14. PERMIT NO. 43-019-31243		9. WELL NO. 16-12
15. ELEVATIONS (Show whether of, ft. or, etc.) 6379' GL, 6390' KB		10. FIELD AND POOL, OR WILDCAT San Arroyo
		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16-T16S-R26E
		12. COUNTY OR PARISH Grand
		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Status Report</u> <input checked="" type="checkbox"/>	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Drilled 6 $\frac{1}{4}$ " hole to 5310'. Ran 4 $\frac{1}{2}$ ", 11.6#, J-55 casing to 5210'. Cemented with 175 sacks 10-0 thixotropic.

Rig released at 2:00 A. M., June 25, 1987.

Log Tops:	Castlegate	1273'	(+5117')
	Mancos	1472'	(+4918')
	Dakota Silt	4767'	(+1623')
	Dakota Sand	4832'	(+1558')
	Morrison	5009'	(+1381')

Plan to start completion about July 6, 1987.

RECEIVED
JUN 29 1987

DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

James D. Robertson

TITLE Petroleum Engineer

DATE June 25, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077

RECEIVED
JUL 02 1987

DIVISION OF
OIL, GAS & MINING

June 30, 1987

John Baza, Petroleum Engineer
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: State No. 16-12
SW SW Section 16: T16S-R26E
Grand County, Utah
LEASE ML-29608


Dear John:

Enclosed in triplicate please find a Sundry Notice to lay pipeline on lease for the subject well. Maps are attached showing the line route.

Should you have any questions, please don't hesitate to give me a call.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson

JGR/lw

Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT TRIPPLICATE
 (Other instructions on
 reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

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1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. ML-29608 <i>Dulg.</i>																								
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 070730																								
3. ADDRESS OF OPERATOR 408 Petroleum Bldg., P.O. Box 3394, Billings, MT 59103		7. UNIT AGREEMENT NAME																								
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1215' FSL, 596' FWL; Section 16		8. FARM OR LEASE NAME State																								
14. PERMIT NO. 43-019-31243		9. WELL NO. 16-12																								
15. ELEVATIONS (Show whether OF, ST, OR, etc.) 6379' GL, 6390' KB		10. FIELD AND POOL, OR WILDCAT San Arroyo																								
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data <table border="0" style="width:100%;"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>TEST WATER SHUT-OFF <input type="checkbox"/></td> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>WATER SHUT-OFF <input type="checkbox"/></td> <td>REPAIRING WELL <input type="checkbox"/></td> </tr> <tr> <td>FRACTURE TREAT <input type="checkbox"/></td> <td>MULTIPLE COMPLETE <input type="checkbox"/></td> <td>FRACTURE TREATMENT <input type="checkbox"/></td> <td>ALTERING CASING <input type="checkbox"/></td> </tr> <tr> <td>SHOOT OR ACIDIZE <input type="checkbox"/></td> <td>ABANDON* <input type="checkbox"/></td> <td>SHOOTING OR ACIDIZING <input type="checkbox"/></td> <td>ABANDONMENT* <input type="checkbox"/></td> </tr> <tr> <td>REPAIR WELL <input type="checkbox"/></td> <td>CHANGE PLANS <input type="checkbox"/></td> <td>(Other) <input type="checkbox"/></td> <td>(Other) <input type="checkbox"/></td> </tr> <tr> <td colspan="2">(Other) <u>Lay Pipeline on Lease</u> <input checked="" type="checkbox"/></td> <td colspan="2">(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)</td> </tr> </table>		NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:		TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>	FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>	SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>	REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <u>Lay Pipeline on Lease</u> <input checked="" type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)		11. SEC., T., R., M., OR BLK. AND SUBSVY OR AREA SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16: T16S-R26E
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:																								
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>																							
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>																							
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>																							
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>																							
(Other) <u>Lay Pipeline on Lease</u> <input checked="" type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)																								
12. COUNTY OR PARISH Grand		13. STATE Utah																								

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

Lone Mountain Production Company proposes to lay a 3-1/2" O.D., .254 wall, Grade J-55 welded steel line to connect the State No. 16-12 into a Northwest Pipeline Lateral. All construction will be on Lease ML-29608, which consists of all of Section 16.

The line will be coated, wrapped and buried in the existing access road for approximately 1700 feet, and will be a surface leg off for approximately 1800 feet. The attached maps show the line route.

Archaeological clearance is being obtained on the leg off portion of the line. The road portion of the line has already been cleared. We plan to do this work in mid-July, 1987.

RECEIVED
 JUL 02 1987

DIVISION OF
 OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED James G. Routson TITLE Petroleum Engineer DATE 6/30/87

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____

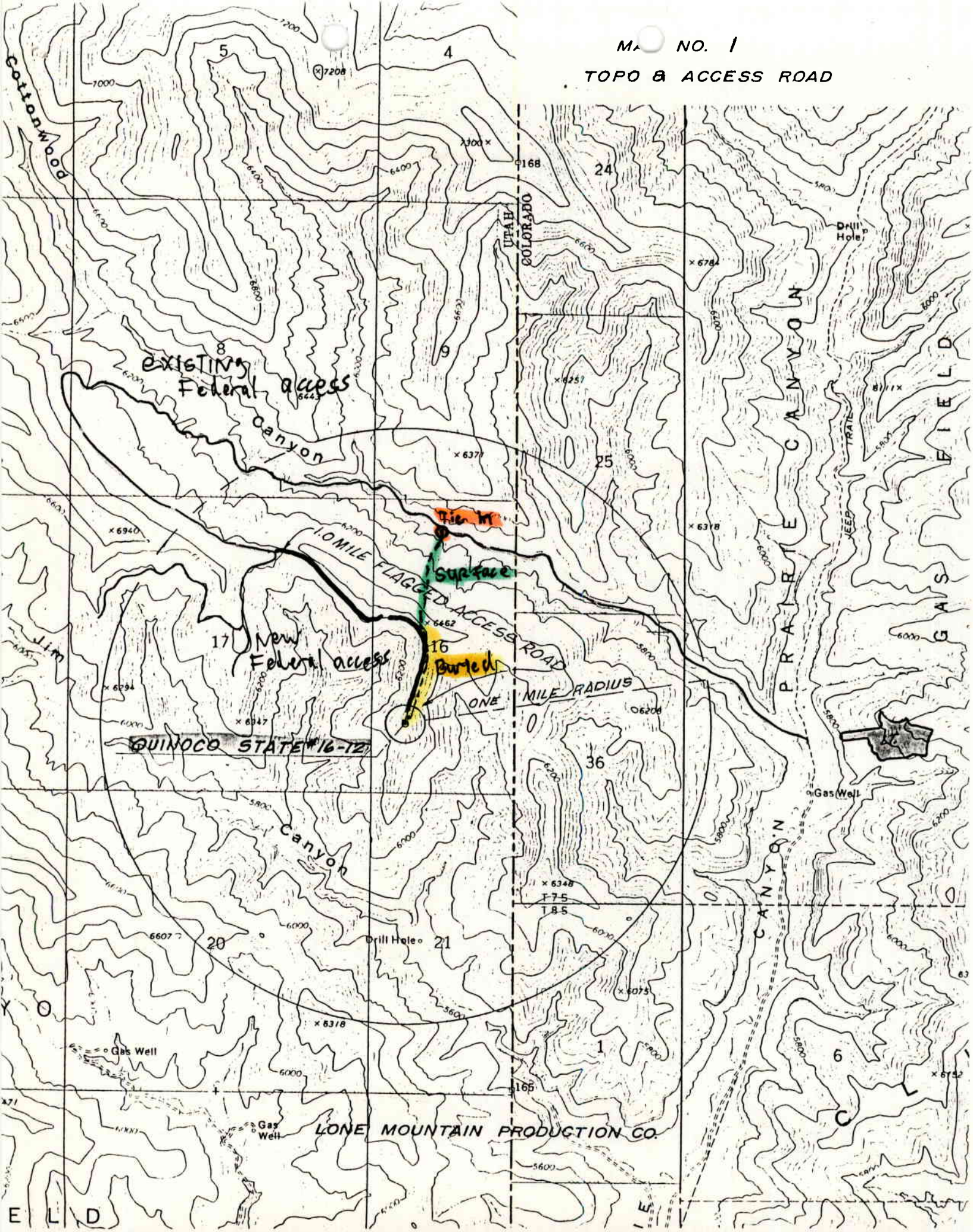
CONDITIONS OF APPROVAL, IF ANY:

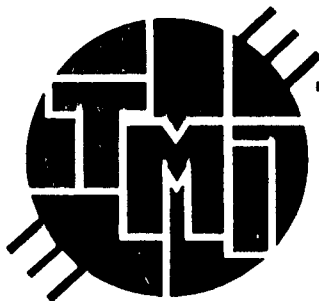
APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING

DATE: 7-6-87
 BY: John R. Day

*See Instructions on Reverse Side

MAP NO. 1
TOPO & ACCESS ROAD





Technology Management Inc.



Consulting Engineers and Chemists
526 20th Road, Grand Junction, Colorado 81503 (303) 242-6154

To: LONE MOUNTAIN PRODUCTION
P.O. BOX 3394
BILLINGS, MONTANA 59103

Date: JUL. 14, 1987
Number: TMI/LMP 87-11

GAS ANALYSIS

COMPANY: LONE MTN. PROD.

SUBMITTED BY: RALPH SNOW

SAMPLE IDENTIFICATION: QUINOCO STATE 16-12

DATE SAMPLED: JUL. 6, 1987

DATE RECEIVED: JUL. 13, 1987

DATE TESTED: JUL. 13, 1987

CAL. NUMBER	NAME	MOLE %, /100=X	IDEAL GAS SPECIFIC GRAVITY, G	IDEAL GROSS HEATING VALUE, DRY, BTU/SCF (60F and 760 mm Hg) , H	COMPRESSIBIL- ITY FACTOR @ STP, Z	HEATING GAL.			
						SUMMA- FACTOR , SQR b	COMPR- X SQR b	SP. GR. FRACT- ION. X G	VALUE LIQ./ FRACT- ION. X H
1	HYDROGEN	0	.0696	325.02	1.0006			0	0
2	PROPANE	1.406	1.5225	2517.5	.982	.1342	.00189	.02141	35.396
4	ISO-BUTANE	.264	2.0068	3252.7	.9696	.1744	4.6E-4	.00530	8.5871
5	HYDROGEN SULFIDE	0	1.1765	637	.9903	.0985	0	0	0
6	N-BUTANE	.318	2.0068	3262.1	.9667	.1825	5.8E-4	.00638	10.373
10	ISO-PENTANE	.143	2.4911	4000.3	.9482	.2276	3.3E-4	.00356	5.7204
11	N-PENTANE	.105	2.4911	4009.6	.9435	.2377	2.5E-4	.00262	4.2101
12	CARBON DIOXIDE	.732	1.5195		.99432	.064	4.7E-4	.01112	0
14	ETHANE	4.83	1.0382	1768.8	.9916	.0917	.00443	.05015	85.433
15	OXYGEN	0	1.1048		.99927	.027	0	0	0
16	NITROGEN	1.264	.9672		.99973	.0164	2.1E-4	.01223	0
17	METHANE	90.701	.5539	1009.7	.9981	.0436	.03955	.50239	915.81
19		0	3.4596	5502.8	.92	.283	0	0	0
20	C6 +	.238	2.9753	4756.2	.92	.283	6.7E-4	.00708	11.320
21		0	2.9753	4746	.92	.283	0	0	0
TOTALS		100.00				.04883	.62223	1076.8	.75970

NOTES: Z= .99762. IDEAL SPECIFIC GRAVITY OF MIXTURE = .62223. REAL SPECIFIC GRAVITY OF MIXTURE = .62346

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760 mm Hg) = 1076.8. REAL GROSS, DRY HEATING VALUE = 1079.4

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826.
THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145-82 AND 2172-76.

RESPECTFULLY SUBMITTED,

Carlton C. Chambers
CARLTON C. CHAMBERS, P.E.
PRESIDENT

BIT RECORD

WELL NAME: QUINOCO STATE #16-12 ELEVATION: 6390 KB 6379 GL
CO. NAME: LONE MOUNTAIN PRODUCTION CO. SECTION: 16, T16S, R26E
CONTRACTOR: VECO RIG# 2 CO. & STATE: GRAND CO., UTAH
SPUD DATE: 6-19-87 T.D. DATE: 6-24-87

[illegible]

DEVIATION SURVEY

COMPANY NAME: LOVE MOUNTAIN PRODUCTION COUNTY: _____

WELL NAME: _____ STATE: _____

[illegible]

STATE OF U _ I
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

5. LEASE DESIGNATION AND SERIAL NO.

ML-29608

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

UNIT AGREEMENT NAME

WELL COMPLETION OR RECOMPLETION REPORT

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other ☐
2. NAME OF OPERATOR
Lone Mountain Production Company
3. ADDRESS OF OPERATOR
408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1215' FSL, 596' FWL Section 16
At top prod. interval reported below Same
At total depth Same

JUL 23 1987

5. FARM OR LEASE NAME

State

6. WELL NO.

No. 16-12

10. FIELD AND POOL, OR WILDCAT

San Arroyo

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16-T16S-R26E

12. COUNTY OR PARISH

Grand

13. STATE

Utah

15. DATE SPUDDED 6-19-87 16. DATE T.D. REACHED 6-24-87 17. DATE COMPL. (Ready to prod.) 7-8-87 18. ELEVATIONS (OF, RMD, BT, OR, ETC.)* 6379' GL, 6390' KB 19. ELEV. CASINGHEAD 6380'

20. TOTAL DEPTH, MD & TVD 5310' 21. PLUG, BACK T.D., MD & TVD 5172' 22. IF MULTIPLE COMPL., HOW MANY* -- 23. INTERVALS DRILLED BY -- ROTARY TOOLS 0-TD CABLE TOOLS --

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Dakota 4866-4902, 4936-4962, 4998-5008
25. WAS DIRECTIONAL SURVEY MADE No26. TYPE ELECTRIC AND OTHER LOGS RUN
GR-FDC-CNL, DTL, GR-CBL-VDL MUD LOG 7-2-87
27. WAS WELL CORDED No

29. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	32.30# J-55	188	12 1/4"	150 sx. (to surface)	None
7"	23# J-55	1699	8 3/4"	150 sx.	None
4 1/2"	11.6# J-55	5210	6 1/4"	175 sx. (to 3250)	None

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
None					2 3/8"	504]	None

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
One .31" diameter hole at each of the following depths: 4878, 4885, 4897, 4942, 4950, 4958, 5004. 7 total holes.		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
		4878-5004	500 gallons 15% MSR (HCl)
		4878-5004	Foam fract with 20,000# 100 mesh sand; 80,000 20-40 sand; 480 bbls. 5% HCl; 1.613 mmscf nitrogen

33. PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
7-7-87		Flowing				Shut in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
*7-16-87	24	.375"	→	0	*1623	0	--
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
*505 psig	*585 psig	→		*1623			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Vented
TEST WITNESSED BY
Dave Terrell

35. LIST OF ATTACHMENTS

Gas analysis

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED James G. Routson TITLE Petroleum Engineer DATE *July 20, 1987

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement". Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

27. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Castlegate	1273	1308	Tight, damp w/water	Castlegate	1273	(+5117')
Dakota	4866	4902	Tight gas	Mancos	1472	(+4918')
Dakota	4936	4962	Gas	Dakota Silt	4767	(+1623')
Dakota	4998	5008	Tight gas	Dakota Sand	4832	(+1558')
				Morrison	5009	(+1381')

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UT 84180-1203

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number State No. 16-12
 Operator Lone Mountain Production Company Address P.O.Box 3394, Billings, MT 59103
 Contractor Veco Drilling Company Address P.O.Box 1705, Grand Junction, CO 81502
 Location SW 1/4 SW 1/4 Sec. 16 T. 16S R. 26E County Grand

Water Sands

<u>Depth</u>	<u>Volume</u>	<u>Quality</u>
From To	Flow Rate or Head	Fresh or Salty
1. <u>No measurable water encountered.</u>		
2. <u>Several damp sands in Mesaverde and Castlegate.</u>		
3. _____		
4. _____		
5. _____		

(Continue on reverse side if necessary)

<u>Formation Tops</u>	Castlegate	1273	(+5117)
	Mancos	1472	(+4918)
	Dakota Silt	4767	(+1623)
<u>Remarks</u>	Dakota Sand	4832	(+1558)
	Morrison	5009	(+1381)

- NOTE: (a) Report on this form as provided for in Rule 806, Oil and Gas Conservation General Rules.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP
(Other instructions on re-
verse side)

Budget Bureau No. 1004--0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

ML-29608

SGW

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

080413

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

State

9. WELL NO.

16-12

10. FIELD AND POOL, OR WILDCAT

San Arroyo

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16: T16S-R26E

12. COUNTY OR PARISH

13. STATE

GRAND

UTAH

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1.

OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR

408 Petroleum Bldg., P.O. Box 3394, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

1215' FSL, 596' FWL, Section 16

14. PERMIT NO.

43-019-31243

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6379' GL, 6390' KB

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

(Other)

STATUS REPORT

X

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Shut in; waiting on pipeline.

18. I hereby certify that the foregoing is true and correct

SIGNED

James G. Routson

TITLE

James G. Routson
Petroleum Engineer

DATE August 1, 1987

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

RECEIVED

AUG 3 1987

DIVISION OF OIL
GAS & MINING

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions re-
verse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

ML- 29608

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

090808

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. ☐ OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR
P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
1215' FSL, 596' FWL, Section 16

7. UNIT AGREEMENT NAME

None

8. FARM OR LEASE NAME

State

9. WELL NO.

16-12

10. FIELD AND POOL, OR WILDCAT

San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

SW1/4 Sec. 16: T16S-R26E

14. PERMIT NO.

43-019-31243

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6379' GL, 6390' KB

12. COUNTY OR PARISH

Grand

13. STATE

Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

Status Report

x

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Shut in. Waiting on pipeline.

RECEIVED

SEP 3 1987

DIVISION OF OIL
GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

James G. Routson

TITLE Petroleum Engineer

DATE August 31, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions re-
verse side)

Budget Bureau use only
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

ML- 29608

SGW

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

101304

7. UNIT AGREEMENT NAME

None

8. FARM OR LEASE NAME

State

9. WELL NO.

16-12

10. FIELD AND POOL, OR WILDCAT

San Arroyo

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16: T16S-R26E

14. PERMIT NO.

43-019-31243

15. ELEVATIONS (Show whether DF, RT, OR, etc.)

6379' GL, 6390' KB

12. COUNTY OR PARISH

Grand

13. STATE

Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

Status Report

X

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Shut in. Waiting on pipeline.

RECEIVED

OCT 8 1987

DIVISION OF OIL
GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

James G. Routson
James G. Routson

TITLE Petroleum Engineer

DATE October 1, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP
(Other instruction
verse side)

Budget Bureau No. 1001-011
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

ML- 29608

SGW

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

110607

7. UNIT AGREEMENT NAME

None

8. FARM OR LEASE NAME

State

9. WELL NO.

16-12

10. FIELD AND POOL, OR WILDCAT

San Arroyo

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16: T16S-R26E

14. PERMIT NO.

43-019-31243

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6379' GL, 6390' KB

12. COUNTY OR PARISH

Grand

13. STATE

Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANE

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

(Other)

Status Report

x

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Shut in. Waiting on pipeline.

NOV 4 1987

DIVISION OF OIL
AND GAS

18. I hereby certify that the foregoing is true and correct

SIGNED

James D. Routson
James G. Routson

TITLE

Petroleum Engineer

DATE

November 1, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Budget Bureau No. 1004-013
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

ML- 29608 SGW-DKTA

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

120835

7. UNIT AGREEMENT NAME

None

8. FARM OR LEASE NAME

State

9. WELL NO.

16-12

10. FIELD AND POOL, OR WILDCAT

San Arroyo

11. SEC., T., B., M., OR BLM. AND
SURVEY OR AREA

SW1/4 Sec. 16: T16S-R26E

1. OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR

P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

1215' FSL, 596' FWL, Section 16

14. PERMIT NO.

43-019-31243

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6379' GL, 6390' KB

12. COUNTY OR PARISH

Grand

13. STATE

Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

Status Report

x

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Shut in. Waiting on pipeline.

18. I hereby certify that the foregoing is true and correct

SIGNED

James G. Routson

TITLE

Petroleum Engineer

DATE

December 1, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS OF WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML-29608 <u>SBW-DRTA</u>	
2. NAME OF OPERATOR LONE MOUNTAIN PRODUCTION COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 122802	
3. ADDRESS OF OPERATOR P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103		7. UNIT AGREEMENT NAME None	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1215' FSL, 596' FWL, Section 16		8. FARM OR LEASE NAME State	
14. PERMIT NO. 43-019-31243		9. WELL NO. 16-12	
15. ELEVATIONS (Show whether OF, RT, CR, etc.) 6379' GL, 6390' KB		10. FIELD AND POOL, OR WILDCAT San Arroyo	
		11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16: T16S-R26E	
		12. COUNTY OR PARISH Grand	
		13. STATE Utah	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>First Production</u> <input checked="" type="checkbox"/>	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

First delivered to Northwest Pipeline Company at 11:00 A.M. 12/11/87.

18. I hereby certify that the foregoing is true and correct

SIGNED

James G. RoutsonTITLE Petroleum EngineerDATE 12/14/87

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

DUPLICATE COPIES OF WELL HISTORY INFORMATION

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

WELL COMPLETION OR RECOMPLETION REPORT

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other ☐

2. NAME OF OPERATOR: Lone Mountain Production Company

3. ADDRESS OF OPERATOR: 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1215' FSL, 596' FWL Section 16
At top prod. interval reported below Same
At total depth Same

14. PERMIT NO. 43-019-31243
DATE ISSUED 4-21-87

5. LEASE DESIGNATION AND SERIAL NO. ML-29608
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
9. WELL NO. No. 16-12
10. FIELD AND POOL, OR WILDCAT San Arroyo
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16-T16S-R26E
12. COUNTY OR PARISH Grand
13. STATE Utah
15. DATE SPUDDED 6-19-87
16. DATE T.D. REACHED 6-24-87
17. DATE COMPL. (Ready to prod.) 7-8-87
18. ELEVATIONS (DF, RMB, RT, GR, ETC.)* 6379' GL, 6390' KB
19. ELEV. CASINGHEAD 6380'
20. TOTAL DEPTH, MD & TVD 5310'
21. PLUG, BACK T.D., MD & TVD 5172'
22. IF MULTIPLE COMPL., HOW MANY* --
23. INTERVALS DRILLED BY ROTARY TOOLS 0-TD
CARLS TOOLS --
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* Dakota 4866-4902, 4936-4962, 4998-5008
25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN GR-FDC-CNL, DIL, GR-CBL-VDL
27. WAS WELL CORDED No

28. CASING RECORD (Report all strings set in well)						AMOUNT PULLED	
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD			
9 5/8"	32.30# J-55	188	12 1/4"	150 sx. (to surface)		None	
7"	23# J-55	1699	8 3/4"	150 sx.		None	
4 1/2"	11.6# J-55	5210	6 1/4"	175 sx. (to 3250)		None	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
None					2 3/8"	504	None

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
One .31" diameter hole at each of the following depths: 4878, 4885, 4897, 4942, 4950, 4958, 5004. 7 total holes.		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
		4878-5004	500 gallons 15% MSR (HCl)
		4878-5004	Foam fract with 20,000# 100 mesh sand; 80,000 20-40 sand; 480 bbls. 5% HCl; 1.613 mmscf nitrogen

33. PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
7-7-87		Flowing				Shut in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
*7-16-87	24	.375"	→	0	*1623	0	--
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
*505 psig	*585 psig	→		*1623			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented
TEST WITNESSED BY Dave Terrell

35. LIST OF ATTACHMENTS Gas analysis

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED James G. Routson TITLE Petroleum Engineer DATE *July 20, 1987

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions. If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

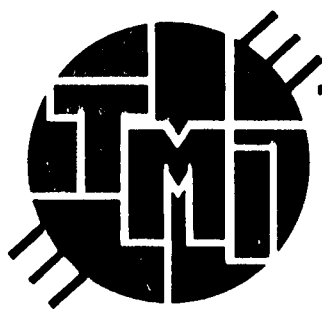
Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement". Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

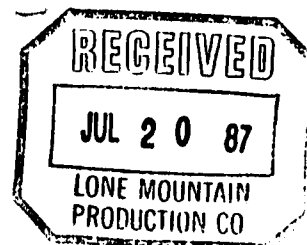
27. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES				28. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Castlegate	1273	1308	Tight, damp w/water	Castlegate	1273	(+5117')
Dakota	4866	4902	Tight gas	Mancos	1472	(+4918')
Dakota	4936	4962	Gas	Dakota Silt	4767	(+1623')
Dakota	4998	5008	Tight gas	Dakota Sand	4832	(+1558')
				Morrison	5009	(+1381')



Technology Management Inc.

Consulting Engineers and Chemists

526 20th Road, Grand Junction, Colorado 81503 (303) 242-6154



To: LONE MOUNTAIN PRODUCTION
P.O. BOX 3394
BILLINGS, MONTANA 59103

Date: JUL. 14, 1987
Number: TMI/LMP 87-11

GAS ANALYSIS

COMPANY: LONE MTN. PROD.

SUBMITTED BY: RALPH SNOW

SAMPLE IDENTIFICATION: QUINOCO STATE 16-12

DATE SAMPLED: JUL. 6, 1987

DATE RECEIVED: JUL. 13, 1987

DATE TESTED: JUL. 13, 1987

CAL. NUMBER	NAME	MOLE %, /100=X	IDEAL GAS SPECIFIC GRAVITY,G	IDEAL GROSS HEATING VALUE, DRY, BTU/SCF (60F and 760 mm Hg) ,H	COMPRESSIBIL- ITY FACTOR @ STP, Z	HEATING GAL.			
						SUMMA- FACTOR ,SQR b	COMPR- X SQR b	SP.GR. FRACT- ION. X G	VALUE LIQ./ FRACT- ION. X H
1	HYDROGEN	0	.0696	325.02	1.0006			0	0
2	PROPANE	1.406	1.5225	2517.5	.982	.1342	.00189	.02141	35.396
4	ISO-BUTANE	.264	2.0068	3252.7	.9696	.1744	4.6E-4	.00530	8.5871
5	HYDROGEN SULFIDE	0	1.1765	637	.9903	.0985	0	0	0
6	N-BUTANE	.318	2.0068	3262.1	.9667	.1825	5.8E-4	.00638	10.373
10	ISO-PENTANE	.143	2.4911	4000.3	.9482	.2276	3.3E-4	.00356	5.7204
11	N-PENTANE	.105	2.4911	4009.6	.9435	.2377	2.5E-4	.00262	4.2101
12	CARBON DIOXIDE	.732	1.5195		.99432	.064	4.7E-4	.01112	0
14	ETHANE	4.83	1.0382	1768.8	.9916	.0917	.00443	.05015	85.433
15	OXYGEN	0	1.1048		.99927	.027	0	0	0
16	NITROGEN	1.264	.9672		.99973	.0164	2.1E-4	.01223	0
17	METHANE	90.701	.5539	1009.7	.9981	.0436	.03955	.50239	915.81
19		0	3.4596	5502.8	.92	.283	0	0	0
20	C6 +	.238	2.9753	4756.2	.92	.283	6.7E-4	.00708	11.320
21		0	2.9753	4746	.92	.283	0	0	0
TOTALS		100.00				.04883	.62223	1076.8	.75970

NOTES: Z= .99762. IDEAL SPECIFIC GRAVITY OF MIXTURE = .62223. REAL SPECIFIC GRAVITY OF MIXTURE = .62346

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760 mm Hg) = 1076.8. REAL GROSS, DRY HEATING VALUE = 1079.4

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826.
THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145-82 AND 2172-76.

RESPECTFULLY SUBMITTED,

Carlton C. Chambers
CARLTON C. CHAMBERS, P.E.
PRESIDENT

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UT 84180-1203

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number State No. 16-12

Operator Lone Mountain Production Company Address P.O.Box 3394, Billings, MT 59103

Contractor Veco Drilling Company Address P.O.Box 1705, Grand Junction, CO 81502

Location SW 1/4 SW 1/4 Sec. 16 T. 16S R. 26E County Grand

Water Sands

<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
From	To	Flow Rate or Head	Fresh or Salty
1. <u>No measurable water encountered.</u>			
2. <u>Several damp sands in Mesaverde and Castlegate.</u>			
3. _____			
4. _____			
5. _____			

(Continue on reverse side if necessary)

<u>Formation Tops</u>	Castlegate	1273	(+5117)
	Mancos	1472	(+4918)
	Dakota Silt	4767	(+1623)
<u>Remarks</u>	Dakota Sand	4832	(+1558)
	Morrison	5009	(+1381)

- NOTE: (a) Report on this form as provided for in Rule 806, Oil and Gas Conservation General Rules.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UT 84180-1203

REPORT OF WATER ENCOUNTERED DURING DRILLING

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(Continue on reverse side if necessary)

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. ML-29608	
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1215' FSL, 596' FWL Section 16		8. FARM OR LEASE NAME State	
14. PERMIT NO. 43-019-31243		9. WELL NO. 16-12	
15. ELEVATIONS (Show whether of, to, or, etc.) 6379' GL, 6390' KB		10. FIELD AND POOL, OR WILDCAT San Arroyo	
		11. SEC., T., R., M., OR BLM. AND SUBST. OR AREA SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16-T16S-R26E	
		12. COUNTY OR PARISH Grand	13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETE	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)			

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
(Other)			

Status Report

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

Drilled 6 $\frac{1}{2}$ " hole to 5310'. Ran 4 $\frac{1}{2}$ ", 11.6#, J-55 casing to 5210'. Cemented with 175 sacks 10-0 thixotropic.

Rig released at 2:00 A. M., June 25, 1987.

Log Tops:	Castlegate	1273'	(+5117')
	Mancos	1472'	(+4918')
	Dakota Silt	4767'	(+1623')
	Dakota Sand	4832'	(+1558')
	Morrison	5009'	(+1381')

Plan to start completion about July 6, 1987.

RECEIVED
JUN 29 1987DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

James D. Robertson

TITLE

Petroleum Engineer

DATE June 25, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

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2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
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4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1215' FSL, 596' FWL Section 16		8. FARM OR LEASE NAME State	
		9. WELL NO. 16-12	
		10. FIELD AND POOL, OR WILDCAT San Arroyo	
		11. SEC., T., R., M., OR BLK. AND SUBST OR ASBA SW$\frac{1}{4}$SW$\frac{1}{4}$ Sec. 16-T16S-R26E	
14. PERMIT NO. 43-019-31243	15. ELEVATIONS (Show whether OF, ST, GN, etc.) 6379' GL, 6390' KB	12. COUNTY OR PARISH Grand	13. STATE Utah

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETE	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)			

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
(Other) Status Report			<input checked="" type="checkbox"/>

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

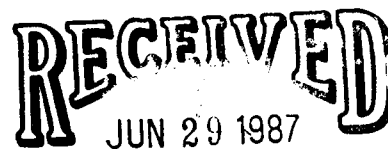
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

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Plan to start completion about July 6, 1987.


DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

James D. Peterson

TITLE

Petroleum Engineer

DATE June 25, 1987

(This space for Federal or State office use)

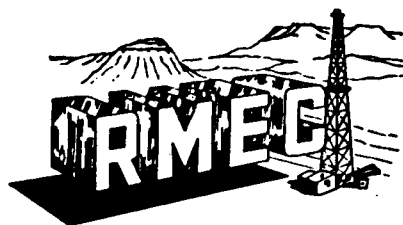
APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

070816



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL SITE GEOLOGY — MUD LOGGING

2450 INDUSTRIAL BLVD.

PHONE 243-3044

GRAND JUNCTION, COLORADO 81501

RECEIVED
JUN 29 1987

June 26, 1987

Lone Mountain Production Co.
P.O. Box 3394
Billings, Montana 59103

DIVISION OF
OIL, GAS & MINING

13-019-31243

Gentlemen:

Enclosed is the final log on your Quinoco State #16-12 well, located in Section 16, T16S, R26E of Grand County, Utah.

We appreciated the opportunity to serve you. If we can be of any further assistance in the final evaluation of zones encountered, please feel free to call on us.

We are looking forward to working with you again in the near future.

Sincerely,

Andy Kelley
President

AWK/11f

ENC: 2 FINAL LOGS
XXC: 2-QUINOCO, DENVER
2-SONAT EXP., DENVER
2-DIV. OIL & GAS, SLC
1-SUEK OIL, NORTHGLENN
1-B&H RESOURCES, BILLINGS
1-ROBERT BALSAM, BILLINGS
1-JOHN & MARY BAROVICH, BILLINGS
1-WILLIAM BUNIGER, LOMA
1-S.A. CHORNEY, DENVER
1-NEIL FEHRINGER, BILLINGS
3-J & L OIL & GAS, BILLINGS
3-T.H. MC ELVAIN, SANTA FE
1-MONTANA & WYOMING OIL, BILLINGS
1-JACK C. ROUTSON, LARAMIE
1-DR. BRIAN GAMBLE, CANADA
1-D & G ROUSTABOUT SERVICE
1-HAROLD HOLDEN, BILLINGS
3-SONAT EXP., HOUSTON + 1 SEPIA

DUPLICATE COPY

BIT RECORD

WELL NAME: QUINOCO STATE #16-12 ELEVATION: 6390 KB 6379 GL
CO. NAME: LONE MOUNTAIN PRODUCTION CO. SECTION: 16, T16S, R26E
CONTRACTOR: VECO RIG# 2 CO. & STATE: GRAND CO., UTAH
SPUD DATE: 6-19-87 T.D. DATE: 6-24-87

[illegible]

DEVIATION SURVEY

COMPANY NAME: LONE MOUNTAIN PRODUCTION COUNTY: _____

WELL NAME: _____ STATE: _____

[illegible]

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. ML-29608
2. NAME OF OPERATOR Lone Mountain Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
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		11. SEC., T., R. M., OR BLK. AND SUBST OR AREA SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16: T16S-R26E
		12. COUNTY OR PARISH Grand
		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐PULL OR ALTER CASING ☐FRACTURE TREAT ☐MULTIPLE COMPLETION ☐SHOOT OR ACIDIZE ☐ABANDON* ☐REPAIR WELL ☐CHANGE PLANS ☐

(Other)

Lay Pipeline on Lease

☒

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐REPAIRING WELL ☐FRACTURE TREATMENT ☐ALTERING CASING ☐SHOOTING OR ACIDIZING ☐ABANDONMENT* ☐

(Other)

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Lone Mountain Production Company proposes to lay a 3-1/2" O.D., .254 wall, Grade J-55 welded steel line to connect the State No. 16-12 into a Northwest Pipeline Lateral. All construction will be on Lease ML-29608, which consists of all of Section 16.

The line will be coated, wrapped and buried in the existing access road for approximately 1700 feet, and will be a surface leg off for approximately 1800 feet. The attached maps show the line route.

Archaeological clearance is being obtained on the leg off portion of the line. The road portion of the line has already been cleared. We plan to do this work in mid-July, 1987.

18. I hereby certify that the foregoing is true and correct

SIGNED

James G. Routson

TITLE

James G. Routson,
Petroleum Engineer

DATE 6/30/87

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

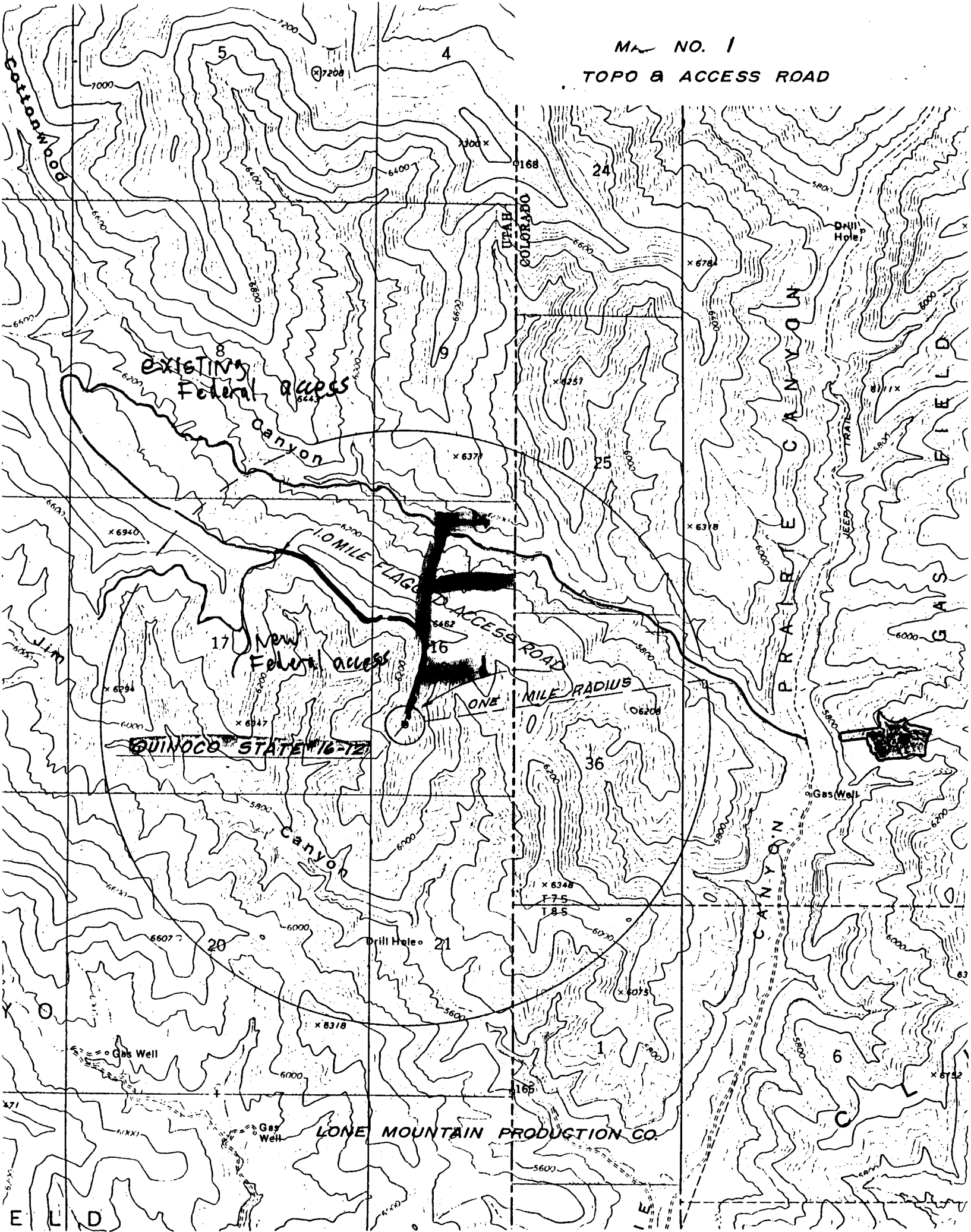
DATE: 7-6-87

BY:

Original Signed by John R. Baza

*See Instructions on Reverse Side

MAP NO. 1
TOPO & ACCESS ROAD



DESIGNATION OF OPERATOR

State of Utah
The undersigned is, on the records of the ~~DOCOM OF LAND MANAGEMENT~~, holder of lease

DISTRICT LAND OFFICE: Division of Oil, Gas & Mining
SERIAL NO.: ML 29608

and hereby designates

NAME: Lone Mountain Production Company
ADDRESS: 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 16 South, Range 26 East
Section 16: Lots 1 thru 4, $W\frac{1}{2}W\frac{1}{2}$ (A11).

Containing 297.76 acres, more or less
Grand County, Utah

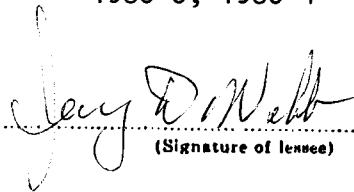
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

QUINOCO OIL AND GAS INCOME PROGRAM 1983-2,
1983-3, 1983-4

By.....


(Signature of lessee)

March 11, 1987

(Date)

P. O. Box 378111, Denver, CO 80237

(Address)